Optimize cost

An efficient and agile infrastructure allows you to cut the cost of day-to-day management, drive out both technical debt and stranded costs. Fujitsu Cloud Managed Services free both budget and resources so they can be focused on achieving value.

Efficient operations management

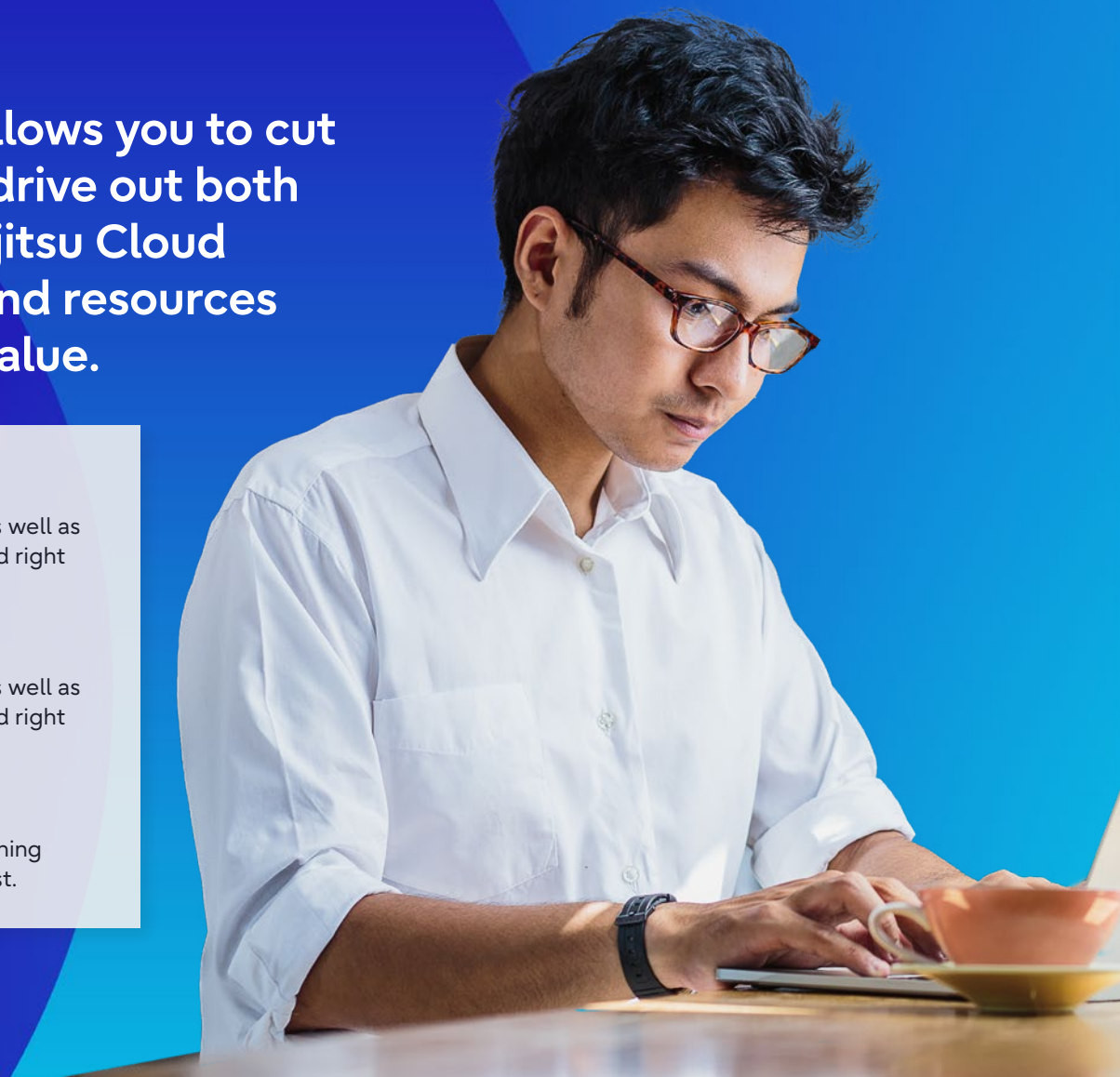
We enable you to cut the cost of day-to-day management of governance as well as patch and event management. That helps you to optimize your cloud spend right from the start of your deployment.

Quick and efficient provisioning

We enable you to cut the cost of day-to-day management of governance as well as patch and event management. That helps you to optimize your cloud spend right from the start of your deployment.

Governance and compliance control

We give you clear blueprint template management and self-service provisioning capabilities which allow you to rapidly provision new services at the right cost.



Hybrid IT Economics: Only spend on what makes your business more agile

Cloud has been around a long time. Cloud-first strategies are the new normal. So normal that there are few arguments against migrating to the cloud. But there's a trap. The cloud is easy to justify on many levels, especially business agility, faster innovation, the ability to enable and secure remote and hybrid working and, of course, saving costs by moving from a capex focused tech budget to an opex one which allows the enterprise to make the most of the latest technologies, applications, and innovations (emerging forms of AI and even quantum-inspired computing).

That's the upside, the downside is that many enterprises find it hard to deliver the promise of lower costs. That's why a planned and realistic approach to cost optimization is so important. It's clear that, for all the fine words some CIOs use to describe their cloud strategy, one of the main reasons they are migrating all or some of their services to the cloud is the ability it gives them to reduce costs. Their budgets are under stress, they're worried about what Gartner calls 'technical and organizational debt.'[1] Migration doesn't make that go away. In fact, it can make it worse.

So, the migration, in itself, is not the solution or end of the matter. Yes, you will make headline savings, but there are also new costs to consider. One of the big trends for 2022 and beyond is to implement Hybrid IT and cloud in a way that delivers ongoing cost optimization benefits both internally and externally. It's a process, a plan, and a method of leveraging the benefits of cloud.

You need to ask yourself some key questions to set your cloud strategy for 2022 and deliver cost optimization that shows up on the bottom line.

Four key actions for successful cost optimization

- **Action 1:**
  Yield the benefits of 'great digital acceleration'
- **Action 2:**
  Do more with cloud!
- **Action 3:**
  Drive your move from capex to opex faster
- **Action 4:**
  Act quickly, but think long-term

[1] https://www.gartner.com/en/documents/3989188/manage-technology-debt-to-create-technology-wealth

Yield the benefits of ‘great digital acceleration’

The biggest challenge for 2022 and 2023 is to make the most of what can be called ‘the great digital acceleration’ sparked by the pandemic. The OECD ran a forum at the end of 2020[2] which clearly defined what many commentators had begun to describe; the rapid deployment of digital tools which enabled organizations in all sectors to not only cope with the demands, but also enable us all to redefine the way we interacted with the world via digital tools.

The cloud played a vital part in keeping the world running. But many organizations had to move so fast that cost wasn’t a top priority. Protecting the business was top of the agenda. Now, it’s time to step back and take stock of what you have, what you need, and how you can use Hybrid IT and cloud to optimize costs as well as deliver greater agility and resilience. That means it’s important to refactor the ‘temporary’ solutions introduced in haste.

You’re in the cloud for the long term. That much is clear. Now is the time to make the most of an opportunity which is, by definition, a unique one. The past events concentrated minds on survival, then enabled businesses to pivot and focus on innovation as well as customers’ demands, and now we all have the chance to refine cloud strategies so that they yield tangible benefits in terms of cost and value for money.

[2] https://www.oecd-forum.org/rooms/covid-19-the-great-digital-acceleration/conversations

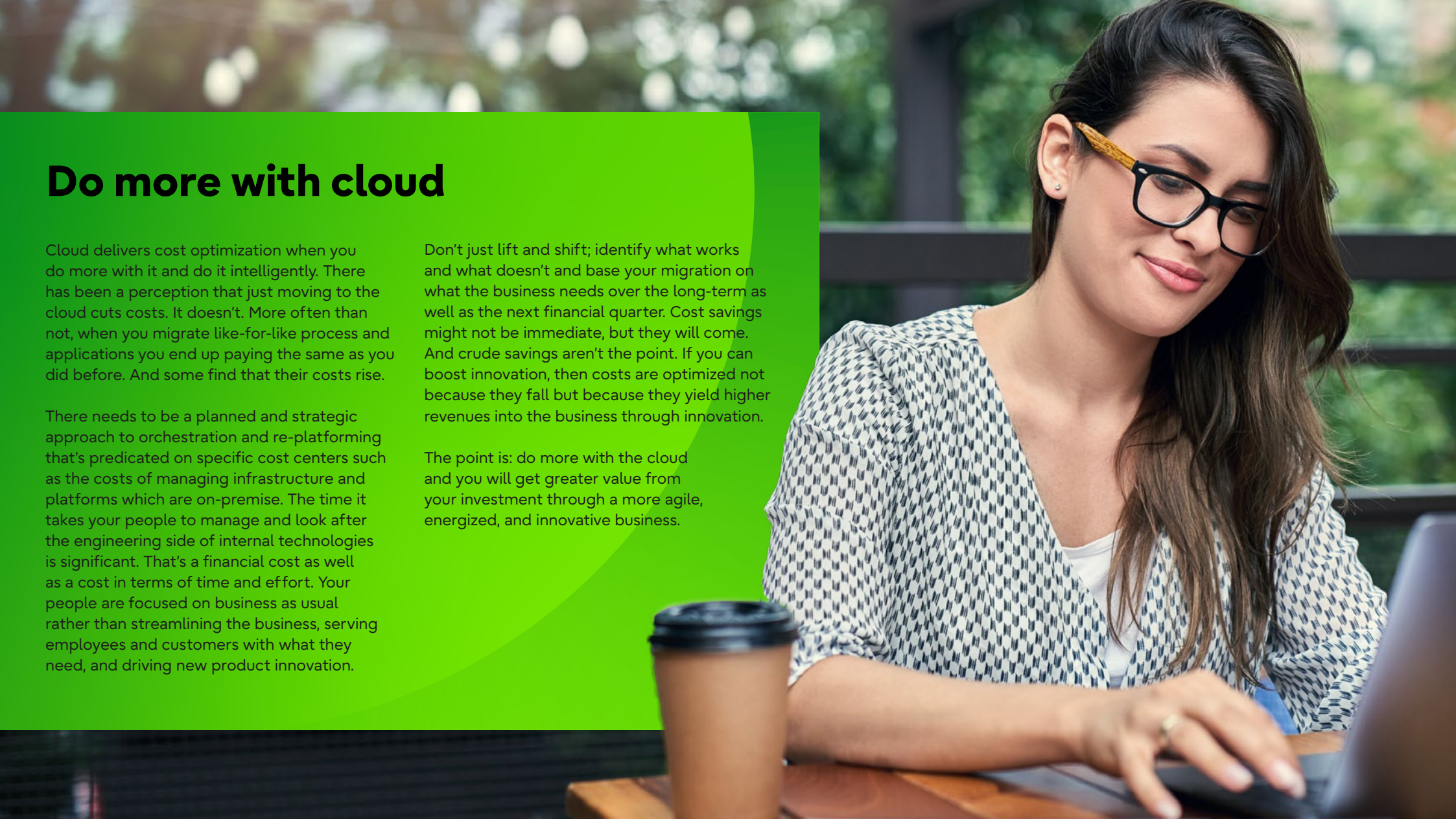
Do more with cloud

Cloud delivers cost optimization when you do more with it and do it intelligently. There has been a perception that just moving to the cloud cuts costs. It doesn't. More often than not, when you migrate like-for-like process and applications you end up paying the same as you did before. And some find that their costs rise.

There needs to be a planned and strategic approach to orchestration and re-platforming that's predicated on specific cost centers such as the costs of managing infrastructure and platforms which are on-premise. The time it takes your people to manage and look after the engineering side of internal technologies is significant. That's a financial cost as well as a cost in terms of time and effort. Your people are focused on business as usual rather than streamlining the business, serving employees and customers with what they need, and driving new product innovation.

Don't just lift and shift; identify what works and what doesn't and base your migration on what the business needs over the long-term as well as the next financial quarter. Cost savings might not be immediate, but they will come. And crude savings aren't the point. If you can boost innovation, then costs are optimized not because they fall but because they yield higher revenues into the business through innovation.

The point is: do more with the cloud and you will get greater value from your investment through a more agile, energized, and innovative business.



Drive your move from capex to opex faster

2022 is an opportunity to consolidate the move from capex to opex and yield the cost benefits which have long been mooted but are sometimes hard to see on the balance sheet. That takes, as I've already stressed, good planning. So, if you're moving to Infrastructure-as-a-Service (IaaS) or utilizing Platform-as-a-Service (PaaS) then you need to have the ability to right size your cloud computing instances, so that you achieve the performance you need at the right cost.

Match the needs of the business to what you're paying for. At the same time, ensure that you can spin up capacity (and spin it down) based on the changing needs of the enterprise. That requires good auto-scaling so that your cloud capacity has the right elasticity: it stretches as demand grows, and then rebounds when it falls.

The bottom-line (forgive the pun) is that you only use what you need when you need it and never pay for what you don't need. And that goes for storage as well as computing. You need to choose the right storage tier based on data importance, frequency of access, and your specific business resiliency requirements. You can use automatic tiering to shift between levels of storage to achieve optimal costs. Again, it's about not paying for storage you don't need. There are no empty tiers costing you money.

Another crucial operational element is to clearly define what is normal and abnormal for your cloud resources rather than utilising legacy, on-premise metrics for defining a problem. It's common for organizations to define the same capacity thresholds in the cloud as on-premise, for example, a trigger set for 90% CPU usage will raise an incident alert. That's a mistake. You should aim to run resources near maximum capacity, avoiding unnecessary cost with over provisioning.

Shifting to the cloud enables you to adopt dynamic monitoring, a method for learning what is normal for your environment and identifying when something abnormal occurs. The levels at which an alert is triggered are not arbitrary or fixed. They flex with the way the business is working – and need to work based on the demands of the market etc. – so that you, or the team working for your cloud partner, are not spending valuable (costly) time dealing with alerts. Only those that really matter will get attention.

You can also rearchitect and refactor applications to ensure that applications are using resources more efficiently. That's especially pertinent to leveraging the benefits of PaaS and Software-as-a-Service (SaaS) options. The point is to migrate with refactoring not just 'lift & shift' services to the cloud.

Automation is, increasingly, being used to reduce the amount of human input into not just monitoring the efficient allocation of instances, but also dealing with auto-scaling, and responding to alerts. So, it pays to see how automation can contribute to reducing the costs associated with your cloud presence.

Act quickly, but think long-term

The temptation to go for quick fixes in a fast-moving environment is hard to avoid, but you can achieve immediate cost optimization while ensuring that you keep costs under control over the long-term. Making the most of cloud native and third-party tools to forecast costs and anticipate future capacity (using accurate historical usage data) will enable you to make the best decisions about what you need to invest in now, what you can plan to invest in the future, and what you don't need to spend money on at all.

Most importantly, you need to right size. That means you reserve the cloud computing (that's containers, VMs, and other resources) with the right quantity of resources (RAM, CPU, storage, network etc.) to get the performance your business needs right now. The principle must be to only spend what you need to in the short-term and have the freedom to increase or decrease as demand changes. Simply, your cloud computing is 'the right size' for what you want to do now. You only pay what you need to pay. That goes for reserving instances (or spot instances) too. Automation can help you do this accurately and with the least human (costly) input.

Accurate and timely right-sizing only saves you money if, while you're minimizing resource usage, you don't then impact other business critical functions. That can generate knock-on cost if some areas of the business experience resource issues or downtime. As the saying suggests, right-sizing is a process. It's a verb, not a noun. You could call it a balancing act that needs to be done intelligently. Where appropriate, significant cost savings can be achieved by leveraging your existing on-premises licenses for your cloud resources. For example, Microsoft offers the Azure Hybrid Benefit to help customers significantly reduce their cloud costs. With right-sizing, reserved instances and licensing benefits, I've seen customers save up to 85%. Again, it's acting quick and smart with an eye on the long-term. Embed cost optimizing practices and process at the heart of your cloud strategy and you will see the benefits on the bottom line.